

**SPECIAL HANDLING**

No. 63-089

25 September 1963

Dear Jerry:

This is in response to your letter of 20 August 1963, your reference SD-513 which concerns language to be incorporated in the prime contract for the "A" Follow-On System.

STATINTL We can approve the clause as it relates to Semiconductor Division on a one time basis. We understand that Semiconductor now has license agreement with [ ] which would permit [ ] to manufacture the device. We feel that some form of competition is possible when [ ] has gotten into production. STATINTL STATINTL

Under the circumstances then the suggested language will be incorporated in the prime for the "A" Follow-On System with some additional language which will limit it to a one time procurement. I am sure that you and I will have to discuss this matter on the phone to arrive at some mutually acceptable language. In the meantime, however, consider the language approved.

Sincerely,

  
Art

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